

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue  
Implementation and Administration of  
California Renewables Portfolio Standard  
Program

Rulemaking 06-05-027  
(Filed May 25, 2006)

**RENEWABLE PORTFOLIO STANDARD COMPLIANCE REPORT  
SUBMITTED BY  
BEAR VALLEY ELECTRIC SERVICE,  
A DIVISION OF GOLDEN STATE WATER COMPANY (U 913-E)**

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(U 913-E)

August 15, 2008

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**I. INTRODUCTION**

A. Timely Filing Pursuant to Grant of Extension Under Rule 16.6.

Golden State Water Company, through its Bear Valley Electric Service division (BVES), hereby files this August 2008 Semi-Annual Compliance Report (Compliance Report) by August 15, 2008, in accordance with Executive Director Paul Clanon's grant of an extension of time to file, authorized by his letter of July 23, 2008 to Cory Mason.

B. Any Apparent Penalty is Contested.

BVES submits its Compliance Report for informational purposes only, with explanatory comments that demonstrate good cause for deferral of the RPS requirements in the interest of its ratepayers, and the waiver of any apparent penalties.

The Commission's RPS reporting system unfortunately makes it appear that BVES is potentially subject to penalties. BVES submits that the apparent penalties are inconsistent with the Commission's intentions expressed in D.08-05-029, the Decision on Participation of Small and Multi-jurisdictional Utilities in the Renewables Portfolio Standard Program. There, the Commission ruled:

“RPS IPT obligations prior to 2007 are rolled into 2007 as part of the 2007 APT; the cumulated 2007 IPT (but not any obligations for 2008 or later years) may be deferred up to 100% without explanation, so long as it is made up within three years; and all regular flexible compliance rules apply in 2008 and later years.” (D.08-05-029 at p. 15.)

...

“We also observe that none of the SMJUs will be potentially subject to any noncompliance penalty until 2010 at the earliest.” (D.08-05-029 at p. 33.)

The Commission expressed its intention that the deferral of the entire 2007 IPT without explanation for up to three years will allow all four utilities to implement RPS compliance without unnecessary focus on potential penalties. (D.08-05-029 at p. 33.) Unfortunately, notwithstanding the recent revisions of the spreadsheet, the focus on potential penalties remains.

In the *Administrative Law Judge’s Rule Granting Motion of Mountain Utilities for Reconsideration and Modification of March 12, 2007 Ruling on Reporting Format* in this proceeding (hereinafter MU Ruling), ALJ Mattson observed there that D.06-10-050 adopts a reporting methodology that applies to all LSEs.

“For the reasons stated in the March 12, 2007 ruling ‘SMJUs should now report what they are able to report.’” (p. 3.)

Mountain Utilities had expressed its concerns about facing potential penalties. In the MU Ruling, this concern was assuaged somewhat:

“Whether or not a reporting LSE states a penalty on a particular report, stating the penalty:

‘does not make the penalty due and payable. Rather, parties are correct that the LSE may identify one of the four conditions which permit deferral or temporary waiver. (D.03-07-071, pp. 50-51). Alternatively, the LSE may seek to demonstrate lack of effective competition, that deferral promotes

ratepayer or program interests, or other good cause.  
(D.03-06-071, p. 53, D.03-12-065, p. 8)’  
(D.06-10-050, pp. 36-37.)

“A penalty is due and payable with any particular report only if the LSE does not contest the penalty. If contested, the penalty is due only after later agreement by the LSE, or a later final determination by the Commission.” (pp. 3-4.)

Accordingly, BVES contests the apparent penalty shown on the Compliance Report, such that it is not due and payable; furthermore, BVES requests that it be waived.

C. Good Cause Exists for Deferral of the RPS Requirement.

Bid responses to a recent BVES RFP for renewable resources and efforts to secure renewable resources on a short-term basis underscore that the renewable market is very tight, hugely expensive and apparently not competitive enough to provide for a sufficient response. This was the second of two RFPs that produced modest responses with expensive prices. The renewables market currently presents the risk of a rate shock, if the responses are a good indicator of prices. Deferral of the RPS requirements will promote the interests of the BVES ratepayers as well as help meet RPS goals when the field of renewable suppliers broadens and deepens, with improved and less expensive technology. Furthermore, the small size of BVES does not allow for economies of scale or the development of a renewable portfolio quickly, without considerable expense to ratepayers. In fact, BVES’ advisors learned in the solicitations of RPS resource proposals that a considerable number of respondents and potential respondents preferred the development of projects on a grand scale with a single purchaser, a situation that may suit the large utilities, but not BVES.

## **II. BACKGROUND INFORMATION ON BEAR VALLEY ELECTRIC SERVICE**

Golden State Water Company is an investor-owned utility that, through its Bear Valley Electric Service division, owns and operates an electric distribution utility system that provides retail electric service to about 24,000 customers in a service area in the Big

Bear Lake area of San Bernardino County, California. BVES provides electric service in a resort community, primarily to residential customers, but also to about 1,500 commercial, industrial, and public-authority customers, including two ski resorts. The summer peak load in its service area is about 23 MW, and the winter peak load is about 39 MW when snowmaking machines at the ski resorts are operating and tourist activity is high.

### **III. RENEWABLE COMPLIANCE FILING**

#### **A. This Compliance Report.**

This filing includes the following report: August 2008 Semi-Annual Compliance Report: Bear Valley Electric Service, which is attached.

BVES is providing this Compliance Report as required in Commission orders using the revised spreadsheet provided by the Commission's Energy Division. Energy Division Regulatory Analyst Sean A. Simon explained to BVES in a July 14, 2008 email that the apparent penalty calculated on the spreadsheet for 2007 is the result of having included the baseline amount in the 2007 APT. Apparently the baseline amount is not viewed in the Energy Division as included in the deferrals authorized in D.08-05-029.

This Compliance Report also corrects retail sales figures inaccurately reported in the April 2008 filing for the years 2005, 2006, and 2007. With D.08-05-029, the cloud of the potential penalties shown in the April 2008 and prior BVES Compliance Reports has been removed, in the clearest terms.

The information in the Compliance Report showing renewable generation in 2010 reflects the responses to two BVES RFPs and other efforts. The 2010 generation shown on the report is a fair estimate, but only an estimate, of the resources BVES may be able to procure by 2010.

The renewable resources BVES identifies in this Compliance Report represent the best assessment of BVES at this time. The factors weighed in the assessment are subject to significant change over time. Related developments may affect the assessment BVES has made in preparing the Compliance Report as well. One prominent example would be the creation of an efficient, competitive market in Tradable Renewable Energy Credits for use in RPS compliance, a development that BVES fully supports.

B. The Continuing Need for the Commission's Attention to the Special Requirements of Small and Multi-jurisdictional Utilities.

BVES appreciates the Commission's careful attention to the special requirements of small and multi-jurisdictional utilities, as expressed in D.08-05-029. Still, as is evident in the spreadsheet filed today, small utilities such as BVES continue to be distracted from the main mission of developing a renewable portfolio by the intricacies of the RPS program and the spreadsheet developed for it. BVES also appreciates the helpful attention and effort given by the Energy Division staff in revising the spreadsheet. Yet we believe improvements could still be made to achieve the Commission's goal of reducing the focus on potential penalties.

#### **IV. CONCLUSION**

BVES has been actively committed to meeting the 20% RPS goal by 2010 but the prospects for success before then are looking dim. There are occasional hopeful signs, however. BVES appreciates the helpful guidance of the Commission in D.08-05-029.

Finally, BVES contests any apparent penalty and requests a prompt waiver.

Dated: August 15, 2008

Respectfully submitted,

By /s/ Dennis W. De Cuir

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## CERTIFICATE OF SERVICE

I, Denise E. Lynch certify:

I am employed in the City of Roseville, County of Placer, California, am over eighteen years of age and am not a party to the within entitled cause. My business address is 2999 Douglas Boulevard, Suite 325, Roseville, California 95661.

On August 15, 2008, I caused the following to be served:

**RENEWABLE PORTFOLIO STANDARD COMPLIANCE REPORT  
SUBMITTED BY  
BEAR VALLEY ELECTRIC SERVICE,  
A DIVISION OF GOLDEN STATE WATER COMPANY (U 913-E)**

**INCLUDING THE**

**AUGUST 2008 SEMI-ANNUAL COMPLIANCE REPORT  
PURSUANT TO THE CALIFORNIA RENEWABLES  
PORTFOLIO STANDARD**

via electronic mail to all parties on the service list R.06-05-027 who have provided the Commission with an electronic mail address and by First Class mail on the parties listed on the service list who have not provided an electronic mail address.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on the date above at Roseville, California.

/s/ Denise E. Lynch

Denise E. Lynch



VIA FIRST CLASS MAIL

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue  
Implementation and Administration of California  
Renewables Portfolio Standard Program.

Rulemaking 06-05-027  
(Filed May 25, 2006)

**Bear Valley Electric Service U-913e AUGUST 2008 SEMI-  
ANNUAL COMPLIANCE REPORT PURSUANT TO THE  
CALIFORNIA RENEWABLES PORTFOLIO STANDARD**

14-Aug-08

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## CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

### Reporting and Compliance Worksheet Instructions

1. California's RPS Program requires Investor Owned Utilities (IOU), Multi-Jurisdictional Utilities (MJU), and Electric Service Providers (ESP) file a minimum of two reports each year illustrating performance within the program.
  - > The March 1 report (with updates after the California Energy Commission (CEC) verifies procurement, as needed) is used by the Commission to determine compliance for the prior year(s). This report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement data for at least three years (D.06-10-050, page 45, 49).
  - > The August 1 report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement levels for each year forward through 2020 (D.06-10-050, page 45, 51). The August report may be used by the Commission to make a final determination of compliance for the prior year(s).
2. If any load serving entity (LSE) seeks confidentiality protection for any of the information required by the RPS Compliance Report, it shall comply with the substantive and procedural rules set forth in D.06-06-066, as modified by D.08-04-023, the Commission's decision in its Confidentiality proceeding, Rulemaking (R.) 05-06-040, and any subsequent decisions issued in the same or successor proceeding. A declaration for Confidentiality should include the identification of all redacted information by tab name and cell reference.
3. RPS compliance reports will be submitted to the Commission as specified below:
  - > Serve a public version on the service list in proceeding R.06-05-027
  - > File a confidential version with the Energy Division
4. Any questions regarding the completion and/or filing of this report can be directed to:  
Sean Simon, Energy Division, California Public Utilities Commission: [svn@cpuc.ca.gov](mailto:svn@cpuc.ca.gov), (415) 703-3791
5. Please make sure that the following information about the filing entity is included on each tab:
  - > Name of the LSE filing the Report
  - > Date the Report is being filed
6. Include a Title Page in accordance with the Commission's Rules of Practice and Procedure (Rule 1.6)
7. Complete the Officer Verification Form in the format provided (Rule 1.11)
8. Yellow cells throughout the spreadsheet indicate user supplied data by the LSE where and when applicable.
9. All data must be entered in MWh out to three decimal points to accurately account for retail sales, procurement and targets. The spreadsheet will display MWh throughout. Do not round any reporting data.
10. The spreadsheet included in this report has locked cells to ensure that targets, procurement and penalties are accurately calculated and reported from the data provided by the user. An unprotected version of the spreadsheet is also available by request.
11. Line #'s in the "Accounting" tab hyperlink to the "Calculations" tab, which provides additional information on the particular line item or section of the "Accounting" tab.

#### SUMMARY TAB

12. The "Summary" tab is linked to the "Accounting" tab and "Procurement Detail" tab, no data entry is required.
13. If the LSE determines that additional information is required in order to present a full and complete report, mark the box provided on the "Summary" tab. Any additional information should support the LSE's claim within the guidelines of the eight allowable reasons for noncompliance. Furthermore, please state anything else the filing LSE believes is necessary for a full and complete reporting to the Commission in order to allow an informed decision on compliance. This may include, for example, footnotes and other explanatory information as necessary and reasonable.

#### ACCOUNTING TAB

14. Begin by entering the relevant data for Lines 1-3, this will calculate the LSE's Baseline Procurement Amount. Enter actual and forecasted sales figures to generate Incremental Procurement Targets (IPTs) and Annual Procurement Targets (APTs).
15. In deficit years, the spreadsheet calculates what portion of the deficit is eligible for IPT deferral and Earmarking. The user records how they elect to treat the deficit(s) in the relevant sections, including using surplus procurement. The spreadsheet calculates the allowable IPT deferral and Earmarking amount through 2020.

#### EARMARKING DETAIL TAB

16. Enter information for contracts that are eligible for earmarking and are being used for flexible compliance purposes. Data populates the earmarking section in the "Accounting" tab.

PROCUREMENT DETAIL TAB
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17. **Procurement Summary:** *Total RPS Eligible Procurement* is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below. If the LSE has entered into contracts that are short-term or with existing facilities but cannot meet its Annual Minimum Contracting Requirement, then deliveries from those contracts may not be used for compliance in any year (D.07-05-028).
- > **Annual Contracting Quota Requirement:** LSEs must enter into long-term contracts or contracts with new facilities for energy deliveries equivalent to at least 0.25% of that LSE's prior years' retail sales, if it intends to use deliveries from short-term contracts and/or existing facilities, for RPS compliance purposes.
- Contracts are differentiated by Contract term-length and type (row 15:16). All deliveries from "long-term and/or new" are automatically entered into "Cumulative Surplus Contracting Quota Bank" (row 19) and the user must input the MWh in row 18 that the LSE needs to comply with the Annual Contracting Quota Requirement, if necessary.
18. **Procurement Summary:** *Total RPS Eligible Procurement* is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below.
19. **RPS Eligible Procurement by Resource Type:** This report must state the amount procured or projected to be procured from each resource type (D.05-07-039, Appendix A, D.06-10-050, page 47-48). This information is reported in rows 23-36 in the "Procurement Detail" tab and populated by completing the "Contract Detail" section.
20. **Contract Detail:** For each contract, enter actual and forecasted delivery data throughout the contract term. Do not assume that an expiring contract will be renegotiated. In the first year a project is no longer under contract, remove the contract and/or MWh deliveries (in the case of pre-2002 contracts), and list the contract in the Expired Contracts section below.
- > **Pre-2002 Contracts:** Input total annual deliveries by resource type.
- > **2002-2008 years' Contracts:** List contracts by name, annual deliveries (MWh), project status, facility status and resource type.
- > **2005-2008 years' Contracts:** In addition to the requirements above, Contracts from these years should be identified by term-length, short-term (less than 10 years) and long-term, as well as, by type, existing or new (defined below). For 2005 and 2006 contracts that were signed prior to 2007 can be identified as "n/a" for this purpose (refer to Column "X").
- **"Contract Length / Type"** (Column "X") Pursuant to D.07-05-028, starting in 2007, each RPS-obligated LSE must, in order to be able to count for any RPS compliance purpose energy deliveries from contracts of less than 10 years' duration ("short-term") with RPS-eligible facilities that commenced commercial operation prior to January 1, 2005 ("existing facilities"), in each calendar year enter into contracts with facilities of at least 10 years' duration ("long-term") and/or short-term contracts with facilities that commenced commercial operation on or after January 1, 2005 ("new facilities") for energy deliveries equivalent to at least 0.25% of that LSE's prior year's retail sales ("minimum quantity").
- **"Contract Volume"** (Column "Y") Input the total annual MWh as identified in the contract. Compliance with the minimum quota requirement is measured by contracted-for-energy, not deliveries.
- > **"Generic Future Contracts":** Input total forecasted annual deliveries by resource type
- > **"Expired Contracts":** User should identify expired contract by name and input annual deliveries (MWh) in the first year contract is no longer delivering for the LSE (per existing contract) and in every year thereafter. For example, if a contract with annual deliveries of 10,000 MWh expired 12/31/2007, user should enter 10,000 MWh in 2008 and in every year thereafter. If this same contract expired 6/30/2007, user should enter 5,000 MWh in 2007 and 10,000 in every year thereafter. If an expired or expiring contract is re-signed, remove contract information from "Expired Contracts" section and enter it under the appropriate contracting year, as you would for any other contract.
21. In the "Contract Status" column, "short-listed/under negotiation" is an option; use the short-listed option only for projects for which the IOU has a high level of confidence that a contract will be executed.
22. If any procurement data for a specific contract differs from what is entered into the CEC-RPS-Track form for that year, the specific cell should be highlighted and the discrepancy should be explained.

**Spreadsheet user notes**

> Protecting confidential data: Individual cells may be formatted black, which will serve to redact info when excel file is converted to pdf. Select cell - click on "fill color" icon - choose black. Note: Once converted to pdf, additional steps are necessary to ensure redacted data is not accessible.

> Adding and/or deleting rows. The "Earmarking Detail" tab and "Procurement Detail" tab allow user add to or delete rows. Within the desired section, highlight entire row(s) by selecting the excel row number(s) - right click and select "copy" - right click again and select "insert copied cells"

**RPS Compliance Report: Summary**

<b>Bear Valley Electric Service U-913-E</b>	<b>2007</b>
14-Aug-08	

<b>RPS Summary Report</b>	<b>MWh</b>	<b>%</b>
Prior Year Total Retail Sales	141,235	
Annual Procurement Target (APT)	6,708	4.7%
Total RPS Eligible Procurement	0	0.0%
Annual Procurement Surplus/(Deficit)	(6,708)	
Adjusted Procurement Percentage*		3.9%

\* 'Adjusted Procurement Percentage' includes flexible compliance as proposed by the LSE, it is not necessarily used to determine compliance.

<b>RPS Eligible Procurement</b>	<b>MWh</b>	<b>%</b>
Biomass	0	0.0%
Digester Gas	0	0.0%
Biodiesel	0	0.0%
Landfill Gas	0	0.0%
Muni Solid Waste	0	0.0%
<i>Biopower Subtotal</i>	0	0.0%
Geothermal	0	0.0%
Small Hydro	0	0.0%
Conduit Hydro	0	0.0%
Solar PV	0	0.0%
Solar Thermal	0	0.0%
Wind	0	0.0%
Ocean/Tidal	0	0.0%
Fuel Cells	0	0.0%
<b>Total RPS Eligible Procurement</b>	<b>0</b>	<b>0.0%</b>

<b>Flexible Compliance</b>	<b>MWh</b>
IPT Deferral	5,439
Earmarking	0
Banked Procurement Applied	0
<b>Total Flexible Compliance</b>	<b>5,439</b>

<b>Deficits and Penalties</b>	<b>2007</b>
Preliminary Procurement (Deficit)	(6,708)
Adjusted Annual Procurement Deficit	(6,708)
Adjusted Deficit Deferred	5,439
Potential Penalty	\$335,411
Current Penalty (with flexible compliance)	\$63,461

\*\* Potential Penalty is calculated based on 'Adjusted Annual Procurement Deficit' and may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance.

☒ Check box (x) if LSE is including supplemental materials necessary for a full and complete report (include attachments as needed).

- Any supplemental materials should state each reason asserted in support of deferral or waiver of penalty, consistent with allowable reasons for non-compliance listed below. (D.03-12-065, D.03-06-071, D.06-05-010 and Public Utilities Code Section 399.14(a)(2)(C)(ii).)

[ Insufficient response to RFO, Contracts already executed will provide future deliveries sufficient to satisfy current year deficits, Inadequate public goods funds to cover above-market costs, Seller non-performance, Lack of effective competition, Deferral promotes ratepayer interests and RPS objectives, Showing of good cause, Insufficient transmission]

- If stating earmarked contracts as a reason for a temporary deferral, make sure contract names and planned energy deliveries match what is listed in Earmarking Detail and Procurement Detail tabs.

RPS Compliance Report: Accounting

Bear Valley Electric Service U-913-E

14-Aug-08

Line#	RPS Baseline Calculation	(MWh)
1	2001 Total California Retail Sales	126,911
2	2001 RPS Eligible Procurement	0
3	2003 Total Retail Sales	132,850
4	2003 Baseline Procurement Amount	1,269

	Input Required
	Forecasted Data
	Actual Data

		Actual					Forecast		
RPS Procurement and Targets (MWh)		2003	2004	2005	2006	2007	2008	2009	2010
5	Bundled Retail Sales	132,850	135,759	134,066	141,235	140,441	142,548	144,586	146,656
6	Total RPS Eligible Procurement	0	0	0	0	0	0	0	0
7	Annual Procurement Target (APT)	1,269	N/A	N/A	N/A	6,708	8,113	9,538	28,937
8	Incremental Procurement Target (IPT)	N/A	1,329	1,358	1,341	1,412	1,404	1,435	19,399
9	Preliminary Procurement Surplus/(Deficit)	N/A	N/A	N/A	N/A	(6,708)	(8,113)	(9,538)	(28,937)
10	APT Percentage	N/A	N/A	N/A	N/A	4.7%	5.8%	6.7%	20.0%
11	Actual Procurement Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12	Adjusted Procurement Percentage*	N/A	N/A	N/A	N/A	3.9%	0.2%	0.2%	0.0%

		Actual					Forecast		
Flexible Compliance - IPT Deferral		2003	2004	2005	2006	2007	2008	2009	2010
13	Maximum Deficit Eligible for Deferral	N/A	N/A	N/A	N/A	5,439	351	356	362
14	Deficit being Carried Forward to Year + 1	N/A	N/A	N/A	N/A	0	0	356	0
15	Deficit being Carried Forward to Year + 2	N/A	N/A	N/A	N/A	0	351	0	0
16	Deficit being Carried Forward to Year + 3	N/A	N/A	N/A	N/A	5,439	0	0	0
17	Total Current Year Deficit (≤25% IPT) Carried Forward	N/A	N/A	N/A	N/A	5,439	351	356	0
18	Remaining Deficit from Year - 1 to Be Filled in Current Year	N/A	N/A	N/A	N/A	N/A	0	0	(356)
19	Remaining Deficit from Year - 2 to Be Filled in Current Year	N/A	N/A	N/A	N/A	N/A	N/A	0	(351)
20	Remaining Deficit from Year - 3 to Be Filled in Current Year	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(5,439)
21	Total Prior Year IPT Deficits That Must Be Filled This Year	N/A	N/A	N/A	0	0	0	0	(6,146)
22	Current Year Surplus Procurement Applied to Year - 1 Deficit	N/A	N/A	N/A	N/A	N/A	0	0	0
23	Current Year Surplus Procurement Applied to Year - 2 Deficit	N/A	N/A	N/A	N/A	N/A	N/A	0	0
24	Current Year Surplus Procurement Applied to Year - 3 Deficit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
25	Total Deliveries Applied to Prior Year IPT Deficits	N/A	N/A	N/A	N/A	N/A	0	0	0

		Actual					Forecast		
Flexible Compliance - Earmarking		2003	2004	2005	2006	2007	2008	2009	2010
26	Portion of Current Year Deficit Eligible for Earmarking	N/A	N/A	N/A	N/A	6,355	7,762	9,182	28,575
27	Future Deliveries Earmarked from Year + 1	N/A	N/A	N/A	N/A	0	0	0	0
28	Future Deliveries Earmarked from Year + 2	N/A	N/A	N/A	N/A	0	0	0	0
29	Future Deliveries Earmarked from Year + 3	N/A	N/A	N/A	N/A	0	0	0	0
30	Total Projected Procurement Earmarked to Current Year	N/A	N/A	N/A	N/A	0	0	0	0
31	Current Year Deliveries Earmarked to Year - 1	N/A	N/A	N/A	N/A	N/A	0	0	0
32	Current Year Deliveries Earmarked to Year - 2	N/A	N/A	N/A	N/A	N/A	0	0	0
33	Current Year Deliveries Earmarked to Year - 3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
34	Total Deliveries Earmarked to Prior Year Earmarked Deficits	N/A	N/A	N/A	N/A	N/A	0	0	0

		Actual					Forecast		
Surplus Procurement Bank		2003	2004	2005	2006	2007	2008	2009	2010
35	Surplus Procurement Bank Balance as of Prior Year	0	0	0	0	0	0	0	0
36	Application of Banked Surplus Procurement to Current Year Deficit	0	0	0	0	0	0	0	0
37	Adjusted Current Year Annual Surplus Procurement	0	0	0	0	0	0	0	0
38	Cumulative Surplus Procurement Bank Balance	0	0	0	0	0	0	0	0

		Actual					Forecast		
Adjusted Deficit		2003	2004	2005	2006	2007	2008	2009	2010
39	Adjusted Annual Procurement Deficit	N/A	N/A	N/A	N/A	(6,708)	(8,113)	(9,538)	(28,937)
40	Adjusted Deficit Deferred	N/A	N/A	N/A	N/A	5,439	351	356	0
41	Potential Penalty	N/A	N/A	N/A	N/A	\$335,411			
42	Current Penalty (with flexible compliance)	N/A	N/A	N/A	N/A	\$63,461			



[illegible][illegible][illegible][illegible][illegible]

## RPS Compliance Report: Earmarking Detail

Bear Valley Electric Service U-913-E

14-AUG-08

Input Required  
Forecasted Data  
Actual Data

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	Actual			Forecast			Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Total Annual Earmarked Generation (MWh)</b>										
Contracted Generation	0	0	0	0	0	0	0	0	0	0
Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0
Allocated to Year - 1	N/A	N/A	N/A	0	0	0	0	0	0	0
Allocated to Year - 2	N/A	N/A	N/A	0	0	0	0	0	0	0
Allocated to Year - 3	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0

[illegible]

[illegible]



Case #14  
Comments  
Case #15  
Comments



## RPS Compliance Report: Calculations

RPS Baseline Inputs (MWh)		
Line#	Calculation	Notes
1	User supplied data	Pursuant to D.07-03-046, the <b>2003 Initial Baseline Procurement Amount</b> for the investor owned utilities (IOUs) is calculated using the following equation:
2	User supplied data	
3	User supplied data	
4	<b>Baseline formula =</b>	<b><math display="block">\frac{2001 \text{ RPS Eligible Procurement}}{2001 \text{ Total Retail Sales}} \times 2003 \text{ Total Retail Sales} + 1\% \text{ of } 2001 \text{ Total Retail Sales}</math></b>

RPS Procurement and Targets (MWh)		
Line#	Calculation	Notes
5	User supplied data	Annual Retail Sales
6	Data from "Procurement Detail" tab	In current and past years, this line should equal Total RPS Eligible Procurement in procurement detail tab.
7	Prior year Line 7 + Line 8	
8	1% of line 5 (Y-1)	
9	Line 6 - Line 7	
10	Line 7 / Line 5 (Y-1)	
11	Line 6 / Line 5 (Y-1)	In 2003, 2003 RPS procurement is divided by 2001 retail sales rather than 2002 retail sales.
12	(Line 6 + Line 17 + Line 25 + Line 30 + Line 34 + Line 36) / Line 5 (Y-1)	RPS procurement percentage after applying flexible compliance, assuming all allowable planned deliveries come online as planned.

Flexible Compliance - IPT Deferral		
Line#	Calculation	Notes
13	Up to 0.25% of Prior Year Retail Sales	In 2007, 100% of the IPT can be deferred for up to 3 years without explanation.
14-16	User supplied data	
17	Sum of Lines 14:16	Current year deficit carried forward. Warning if cell value is greater than Line 13.
18-20	Record of Lines 14:16	Deferred IPT obligations due in current year.
21	Sum of Lines 18-20	Total deferred IPT obligations due in current year.
22-24	User supplied data	Past year IPT obligations retired with current year surplus procurement. Per accounting rules D. 06-10-050, Attachment A, page 9-10, current year deliveries may only be applied to past year IPT deficits after earmarked deliveries have been subtracted, and after any deliveries needed to meet current year APT have also been subtracted (D.03-06-071), Conclusion of Law 25).
25	Sum of Lines 22-24	Total current year surplus applied to prior year IPT obligations due in current year

Flexible Compliance - Earmarking		
Line#	Calculation	Notes
26	Line 9 + Line 13 + Line 34	Portion of current year deficit greater than allowable IPT Deferral
27-29	Data from "Earmarking Detail" tab	User supplied data from "planned" column in respective year
30	Sum of Lines 27:29	
31-33	Data from "Earmarking Detail" tab	User supplied data. Current year deliveries may only be applied to past year deficits which have been deferred by earmarking, after current year APT has been met (D.03-06-071), Conclusion of Law 25).
34	Sum of Lines 31:33	Total current year surplus subtracted to meet prior years Earmarking obligations due in current year

Surplus Procurement Bank		
Line#	Calculation	Notes
35	Line 38 (Y-1)	
36	User supplied data	
37	Line 9+ Line 25 + Line 34	Current year surplus procurement less any prior year IPT obligations and/or Earmarking obligations
38	Sum of Lines 35:37	

Adjusted Deficit		
Line#	Calculation	Notes
39	Line 9 + balance of IPT obligations after 3 years + balance of Earmarking obligations after 3 years	In any current year, the adjusted annual procurement deficit is the LSE's annual deficit less any deliveries used to meet IPT or Earmarking obligations for prior years deficits. Any portion of adjusted annual procurement deficit that remains after the following three years is subject to penalty.
40	Balance of IPT obligations after 3 years + balance of Earmarking obligations after 3	In any current year, the adjusted deficit temporarily excused is the sum of IPT deferral and Earmarked deliveries (line 17+ line 30). Any portion of line 40 remaining after 3 years will be reflected in line 39 and subject to penalty.
41	Line 39 * \$50.0	Per accounting rules, LSEs must list penalty based the size of on adjusted annual procurement deficit, even if allowable reasons are being given for why the penalty is not yet due and payable. Penalties are assessed at \$0.05/kWh deficit.
42	(Line 39 + 40) * \$50.0	LSE's have the opportunity to make up annual procurement deficits through existing flexible compliance rules. Accordingly, if an LSE has a deficit in year 1, and is able to fully exercise flexible compliance mechanisms, the penalty for year 1 compliance may not apply.

## OFFICER VERIFICATION FORM

I am an officer of the reporting corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true. The spreadsheet format used to file this compliance report has not been altered from the version issued or approved by Energy Division.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2008 at San Dimas, California.

(Date)                      (Name of City)

/s/ Denise L. Kruger

Denise L. Kruger

Senior Vice President of Regulated Utilities